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SECTION I. INTRODUCTION

When the U.S. Department of Transportation (DOT) was created in 1967, it brought several transportation missions under one umbrella, some of which had existed since the 1700s. DOT occupies a leadership role in ensuring improvements in the country's transportation system, the security of the Nation, and the quality of life of the American people. DOT employs approximately 63,000 permanent civilian employees (excluding the Transportation Security Administration).

As a result of its history and organizational structure, DOT has been "stove-piped" in its approach to carrying out its work, in separate and distinct Operating Administrations (OAs). Recognizing that each organization has an individual mission, stakeholders, and customers, DOT has not reorganized. Instead, DOT has opted to collaborate as teams on priority program and management efforts and to develop leadership styles that achieve collaboration. The Department's missions and programs have continuously evolved mirroring transformations that have occurred throughout the Nation and the world, e.g., the most recent changes include the establishment of the Federal Motor Carrier Safety Administration and the Transportation Security Administration.

From the mid-90s forward, DOT has been practicing the strategic concept of *ONE DOT*. The ONE DOT conceptual framework helps the OAs and the Office of the Secretary work better together to serve as *one* Department of Transportation. The intent has been to apply a systematic approach to systems issues, those areas where work and its results transcend organizational lines. ONE DOT emphasizes customer perspective, and it leverages the depth and breadth of the human competencies and resources that can be devoted to an effort.

The ONE DOT philosophy has served the Department well as it has developed and continues to implement the Department's Strategic Plan. DOT's current mission, values and goals were developed by a ONE DOT team representing all OAs headquarters managers and field program managers as well as management professionals including the HR community.

As stated in its 2000-2005 Strategic Plan, DOT's mission, values and goals are:

MISSION

To serve the United States by ensuring a safe transportation system that furthers our vital national interests and enhances the quality of life of the American people.

DOT VALUES

Integrity

We live and work in unity with our core values – customer focus, diversity, professionalism, respect, teamwork and excellence.

Customer Focus

We strive to understand and meet the needs of our customers.

Diversity

We value our diverse workforce and create a work environment that is free of prejudice and discrimination.

Professionalism

We exemplify the highest standards of dedication, trust, cooperation, pride, and courtesy in the work environment.

Respect

We respect differences in people and ideas.
We treat each other and those we serve with fairness, dignity, and compassion.
We encourage individual opportunity and growth.

Teamwork

We support each other and work together as a team, in a ONE DOT fashion.

Excellence

We excel as responsible stewards of taxpayers' resources.
We strive to improve our performance and to track our progress.
We encourage creativity and innovation through empowerment.

DOT STRATEGIC GOALS

Safety: *Promote the public health and safety by working toward the elimination of transportation-related deaths and injuries.*

Mobility: *Shape an accessible, affordable, reliable transportation system for all people, goods and regions.*

Economic Growth: *Support a transportation system that sustains America's economic growth.*

Human and Natural Environment: *Protect and enhance communities and the natural environment affected by transportation.*

National Security: *Ensure the security of the transportation system for the movement of people and goods, and support the National Security Strategy.*

Organizational Excellence Goal:

Advance the Department's ability to manage for results and innovation.

SECTION II.

DOT'S HUMAN CAPITAL PLAN

DOT's Human Capital Planning process is aligned with the President's Management Agenda and the Human Capital Standards for Success, the comprehensive framework prepared by the Office of Management and Budget (OMB), the Office of Personnel Management (OPM), and the General Accounting Office (GAO). Figure 1 maps DOT's human capital challenges and solutions against the joint OMB, OPM and GAO criteria, see: "*DOT Mapping: Departmental Human Capital Solutions Aligned with the Human Capital Standards for Success.*"

HUMAN CAPITAL STANDARD FOR SUCCESS

"Agency human capital strategy is aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets."

STRATEGIC ALIGNMENT

The President's Management Agenda inspired DOT's vision for human capital, and provides the catalyst for the Department's strategic management of its greatest resource, the workforce. The overall strategy for the Department's Human Capital Plan begins with its human capital vision statement, goals, outcomes, and then describes how human capital is strategically managed at DOT.

DOT'S HUMAN CAPITAL VISION

"To strategically utilize human capital in full support of DOT's goals and mission, while empowering individual workers to realize their full potential."

DOT'S HUMAN CAPITAL GOALS

The Department's Human Capital Goals are modeled after and align with the President's Management Agenda (PMA):

- *DOT's Human Capital strategies are linked to its mission, vision, core values, goals and objectives.*
- *DOT's strategic workforce planning will result in the use of flexible tools to recruit, retain, and reward employees and will result in a high-performing workforce.*
- *DOT will identify its core competencies in order to determine when to build internal capacity, where appropriate, and when to utilize competitive sourcing in order to efficiently and effectively meet its mission.*
- *DOT will ensure that the workforce is comprised of the right people, in the right places at the right time in order to meet its mission.*

FIGURE 1: DOT MAPPING: DEPARTMENTAL HUMAN SOLUTIONS ALIGNED WITH THE HUMAN CAPITAL STANDARDS FOR SUCCESS

HUMAN CAPITAL STANDARDS FOR SUCCESS		DOT HUMAN CAPITAL SOLUTIONS
Agency human capital strategy is aligned with mission, goals, and organizational objective and integrated into strategic plans, performance plans and budget.	Strategic Alignment	DOT Human Capital Strategy including Vision, Human Capital Goals aligned with PMA outcomes Framework for Strategic Management of Human Capital Plan DOT Human Resources Strategic Action Plan HR Professionals as Consultants and Strategic Partners Measurement Tools
Agency is citizen-centered, delayered and mission-focused, and leverages e-government and competitive sourcing.	Workforce Planning and Deployment	Agencywide Workforce and Human Capital Planning DARIS Automated Staffing Workers' Compensation Program Management Benefits Administration DOT Workforce Deployment and Restructuring Initiatives: Policy, TASC, HR/FM Integrated System, NHTSA, MARAD, TSA, FMCSA DOT Human Capital Challenges and Departmental Solutions
Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives performance improvement.	Leadership	Supervisory Leadership Program Transportation Executive Leadership Institute (TELI) Executive Trend Analysis Executive Performance Management Executive Coaching ONE DOT SES-Candidate Development Program Promoting Ethical Behavior and Feedback IG Hotline Mentoring Program ONE DOT Rotational Assignment Program

FIGURE 1: DOT MAPPING: DEPARTMENTAL HUMAN SOLUTIONS ALIGNED WITH THE HUMAN CAPITAL STANDARDS FOR SUCCESS (CONTINUED)

HUMAN CAPITAL STANDARDS FOR SUCCESS		DOT HUMAN CAPITAL SOLUTIONS
Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives performance improvement.	Knowledge Management	Learning and Development Framework Online Learning Established Learning Centers: USCG, FAA's CMD and MARAD's GMATS Clinger/Cohen Training Activities Garrett A. Morgan Technology and Transportation Futures Program ONE DOT Rotational Assignment Program Knowledge Sharing Initiative Legacy Program
Agency has a diverse, results-oriented, high performing workforce, differentiates between high and low performance, and links individual/team/unit performance to organizational goals.	Performance Culture	Performance Management Awards Labor Management Relations Alternate Dispute Resolution (ADR) Disability Resource Center (DRC) Diversity Management
Agency has closed most mission-critical skill gaps/deficiencies and has plans to close all.	Talent	Diversity Executive Recruitment Honors Attorneys Policy Analyst Rotational Progam Corporate Recruitment Entry-level Hiring Initiatives Vacancy Announcements Worklife DOT-wide Child Care Centers Childcare Tuition Subsidies Active Telecommuting Leave Program Alternate Work Schedules (AWS) DOT Connection
Agency human capital decisions are guided by a data-driven, results-oriented accountability system.	Accountability	DOT Human Capital Implementation Plan Secretary's Human Capital Scorecard HR Strategic Action Plan Balanced Scorecards Annual Accountability Contracts HR Policy Improvement

Meeting the President's Management Agenda will result in the following outcomes:

- *A Departmentwide system that overcomes common barriers to effective human capital management, and that applies human resources flexibilities that sustain a high performing workforce.*
- *Human capital solutions that are shared across the OAs to achieve "best value" results (optimum quality, timeliness, and cost).*
- *A Department that competes successfully for human resources as ONE DOT, reducing any competition among OAs, and closing and preventing gaps in mission-critical occupations and hard-to-fill positions.*
- *Human capital resources are deployed across OAs and between headquarters and the field; delegated decision-making authority responds to changing program requirements, in an effort to improve service to the customer.*
- *Overall management of human capital costs, meeting the Department's performance targets in order to produce short and long-term cost savings.*

The Department, through its achievement of the above goals, will continually evaluate its performance as it progresses in meeting the PMA's long-term results. These include:

- Improved services and performance to the citizens resulting in greater customer satisfaction;
- A Department that will build, sustain and effectively deploy the skilled, knowledgeable, diverse and high-performing workforce needed to meet the current and emerging needs of the government and its citizens;
- A Department that will adapt quickly in size, composition, and competencies to accommodate changes in mission, technology, and labor markets; and
- An overall, ONE DOT improved employee satisfaction level.

FRAMEWORK FOR STRATEGICALLY MANAGING HUMAN CAPITAL

The Department is leading the OAs in working together to meet the PMA and the above human capital goals. The Secretary has developed a coherent framework which is a system of accountability and continuity to ensure that the leadership of the OAs collaborate and comply with the PMA and the comprehensive "Human Capital Standards for Success" framework jointly developed by OMB, OPM, and GAO. The Human Capital Standards for Success are managed using the following tools and mechanisms:

Secretary's Human Capital Scorecard. Secretary Mineta holds weekly Executive Management Team (EMT) meetings with the heads of OAs and OST Departmental Officers. On a monthly basis, he is holding these leaders accountable for meeting the goals of the PMA, where they assess and discuss the implementation of the human capital policies and practices. The Secretary has established internal scorecards as a tool for gauging individual OA progress. A Strategic Human Capital Management Scorecard has been developed and is being used as an internal progress report to help determine DOT's strengths in human capital management as well as areas that need additional emphasis. The scorecard is modeled after Human Capital Standards for Success and provides specific criteria with which the OAs must comply in order to score points that lead to the attainment of a green progress report. Baseline scores have been established and all OAs are yellow in progress. Scores are displayed and discussed by the Secretary with the Administrators. (See Appendix A for the Secretary's Human Capital Scorecard.)

ONE DOT Human Capital Planning Council. Establishing and maintaining a ONE DOT approach to human capital planning is critical to ensure human capital solutions are integrated consistently and cost-effectively throughout DOT. The Human Capital Council is led by the Office of the Secretary and consists of representatives from the OAs, who act as liaisons to the program managers, strategic and performance planners, budget analysts, and e-gov and competitive sourcing experts. The Council is charged with major responsibilities for human capital planning and monitors agency initiatives, advising the Secretary on appropriate human capital innovations.

DOT Human Resources (HR) Strategic Action Plan. The HR Strategic Action Plan was developed in an effort to integrate HR with program goals. While the plan was well underway prior to the issuance of the PMA, the strategies and tactics are fully aligned with the Human Capital Standards for Success. The HR Plan is also aligned with the Department's Strategic Plan and charts the direction for managing DOT's human capital for 2001-2003. The plan was developed by the HR Council, is led by the Departmental Director of Human Resource Management and is comprised of the HR Directors of each OA. To communicate and ensure ownership, the Plan was vetted with internal stakeholders, including managers and employees. It contains six goals:

1. ***Investments in Human Capital:*** Actively promote investment in DOT's most important resource—its human capital—to enable the Department to recruit and retain the talented and diverse workforce essential to achieving the DOT mission and strategic objectives.

2. ***Workforce Planning:*** Conduct workforce planning to ensure competencies and skills are in place to meet organizational goals and future workforce needs.

3. ***Effective Hiring:*** Develop and implement hiring strategies, techniques, and tools to ensure DOT has the right people in the right positions at the right time.

4. ***Learning and Development:*** Enhance continuous learning of the DOT workforce.

5. ***State-of-the-Art Enterprise Human Resource Information System (EHRIS).*** Promote a replacement EHRIS founded on best practices that will allow all OAs to retire the legacy systems.

6. ***Strategic Alliances:*** Form strategic alliances with important stakeholders to promote and obtain support for initiatives to achieve workforce excellence.

Publication of the HR Strategic Action Plan was the Department's first action toward goal-oriented human capital management. (A copy of the HR Strategic Action Plan is included as Appendix B.)

HR Professionals as Consultants and Strategic Partners. The Department recognizes that effective human capital planning requires linkage to its strategic goals and mission. DOT is including human capital planners from each of the OAs as active participants in the DOT strategic planning process as the Departmental plan is revised during the fall of 2002. This virtually shifts the role of HR at DOT from administrative or functional expert to strategic partner.

DOT has been aware of the changing role of the HR professional and has taken steps to close competency gaps in HR staff. DOT understands that the role of the HR professional as a consultant has become increasingly important with impending retirements and the need to partner with line managers on initiatives such as workforce planning and developing solutions to their human capital challenges, e.g., the use of personnel flexibilities. The HR Strategic Action Plan includes a strategy for ensuring that the HR profession is equipped to actively partner and consult with line managers. As part of the HR Strategic Action Plan's Workforce Planning Goal, the HR Council included a strategy to: *Ensure the DOT Human Resources workforce has the competencies and skills necessary to meet future organizational needs.* The Department has developed a Human Resource Competency Framework and assessment instrument that includes 14 Core and 12 Technical HR competency areas. The HR Council is working to implement this strategy and will actively participate with OPM's Human Resources Management Council (HRMC) initiative to establish Governmentwide HR competencies and explore professional certification.

DOT also has a longstanding practice of including managers, supervisors, and employees as it develops human capital policies and programs. The Department makes maximum use of ONE DOT teams and is particularly careful to include representatives from disciplines other than HR as part of the teams. Recent examples of this are the Diversity Work Group and the Supervisory Task Force, which were led by HR with members from each OA representing a cross-section of disciplines.

Measurement Tools. DOT is benchmarking various measurement tools for Department-wide application. This is an effort to assure that DOT outcomes meet or exceed mission goals. Currently, individual OAs utilize numerous quality-performance based disciplines, e.g., Baldrige Criteria, and some have achieved external recognition for their successful results. A few measurement approaches described below are being used throughout the Department or across an entire OA:

- ***Balanced Scorecards (BSC).*** Currently, two DOT-wide systems use BSC for distinct communities: the procurement community and the human resources (HR) community. The procurement application began in 1994, then evolved to a DOT-wide scope by 1996. As a recognized proven practice by industry leaders, the procurement BSC became a model for the HR community's HR Measurement Action Team (HRMAT). The use of the HR balanced scorecard for assessing the performance of HR operations began in 1998 as an ad hoc volunteer two-year assessment. At that time, six DOT OAs participated. In 2000, another six OAs participated. In 2002, all DOT OAs participated and committed to use the balanced scorecard assessment in 2004. In the first quarter FY2003, the DOT HR community will review the assessment survey instrument against lessons learned, new directions in balanced scorecard disciplines, and Human Capital Standards for Success. The latter includes using the HC Assessment and Accountability Tool as a touchstone to determine changes to the survey instrument. The DOT HR community will also review recommendations to develop a policy that directs the use of the HR balanced scorecard, and the linkage of organizational performance to individual performance. Both the HR and Procurement communities are collaborating on a "get to green" assessment model. Although there are other noteworthy DOT BSC applications, they are not used on a DOT-wide basis. However, the Department will continue to explore opportunities to migrate the BSC discipline throughout DOT. (See Appendix C: Balanced Scorecard.)

- ***Quality Journey.*** Committed to continuous improvement, in 1995 the Federal Highway Administration (FHWA) Executive Leadership began the Quality Journey (QJ), a public sector version of the Baldrige Criteria, to educate and guide managers into higher levels of performance: meeting or exceeding mission goals and customer/citizen needs. In the next years, the QJ evolved and matured into FHWA criteria for Leadership, Strategic Planning, Customer Focus, Information and Analysis, Human Resource Focus, Process Management, and Business Results. The evolution included a regular cycle of self-assessment that led to improved initiatives and organizational performance.

- ***International Standardization Organizations of Operations (ISO) 9000/1400.*** While several units in DOT Administrations have implemented performance cultures with measurement disciplines, the U. S. Coast Guard (USCG) and the St. Lawrence Seaway Development Corporation (SLSDC) are implementing them on an Administrationwide basis. In USCG, this has been an evolutionary process. The USCG's use of International Standardization Organizations of Operations

(ISO) 9000/1400 certification began on a fragmented basis in 1981 through the use of Quality Improvement Teams, but the President's Quality Award criteria are now incorporated into a Commandant's Quality Award program. Currently, the USCG is planning to capture and distribute *proven practices* of performance excellence. As a result of this evolving performance-measurement culture, many USCG units have received State Quality Awards that are Baldrige-based. The SLSDC began its journey of quality performance in 1997 achieving quality certification to the ISO 9002: 1994 standards. Since then, SLSDC has continued its evolution of a quality performance-measurement culture. In January 2003, the SLSDC will upgrade to the new ISO 9001: 2000 standard, maintaining certification of its quality management system and alignment with the criteria of the PMA.

HUMAN CAPITAL STANDARD FOR SUCCESS

"Agency is citizen-centered, delayered and mission-focused, and leverages e-government and competitive sourcing."

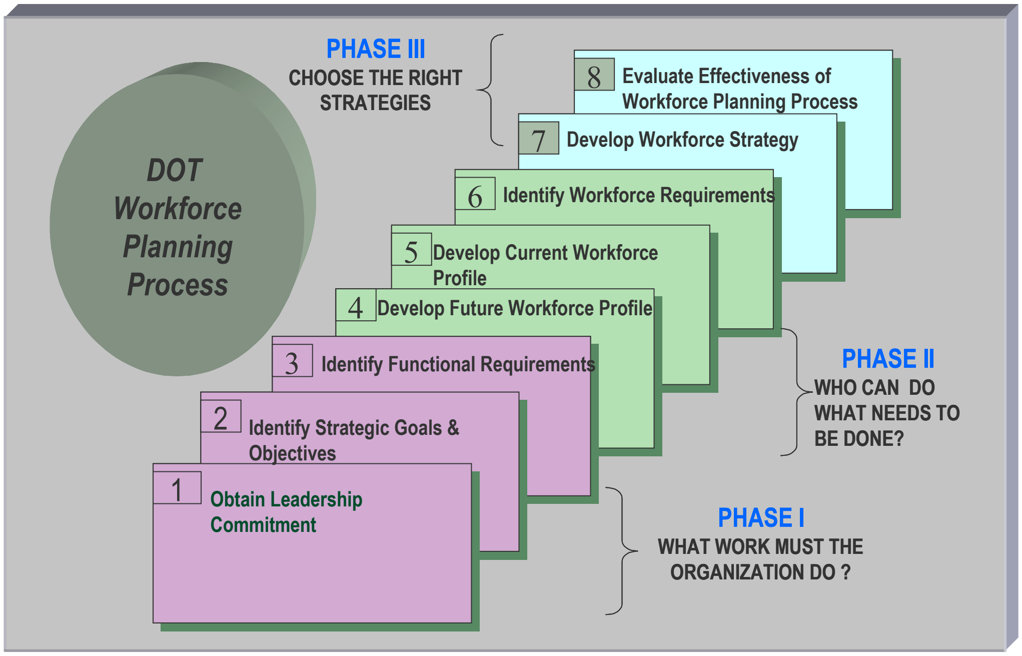
WORKFORCE PLANNING AND DEPLOYMENT

DEPARTMENTAL WORKFORCE PLANNING

A key application of the ONE DOT concept has been to develop and pilot a Department-wide model and process for workforce planning, one of the intermodal issues ranked highest in importance by the Department's leadership. Keeping the precepts of the PMA as a guide, DOT has analyzed its current workforce and succession planning efforts in light of some of its most formidable organizational and management challenges. Foremost among DOT's management challenges is the need to acquire, maintain, and develop the human capital, i.e., the competencies, to carry out its current mission as it is, and as it evolves.

DOT initiated its workforce planning effort in FY 1999 by establishing an eight-step process (see Figure 2) that engaged leadership in workforce planning tied to the Departmental strategic planning and budget processes. The model profiles the future workforce compared to current workforce with an emphasis on competency management. Gap analyses are conducted to determine imbalances in occupations and/or competencies. Human capital strategies to bridge any gaps are determined, implemented, and continuously evaluated. A Workforce Planning Guide was written and executive-level briefings were conducted for all DOT components to ensure a consistent understanding of the workforce planning initiative (see http://dothr.ost.dot.gov/HR_Programs/Workforce_planning/guide.pdf). (DOT's model and Guide were featured as best practices in several briefings, conferences and workshops conducted by the National Academy of Public Administration, Center for Human Resource Management.)

FIGURE 2: EIGHT STEP PROCESS


DOT Workforce Planning Process
PHASE III
CHOOSE THE RIGHT STRATEGIES
8 Evaluate Effectiveness of Workforce Planning Process
7 Develop Workforce Strategy
6 Identify Workforce Requirements
5 Develop Current Workforce Profile
4 Develop Future Workforce Profile
PHASE II
WHO CAN DO WHAT NEEDS TO BE DONE?
3 Identify Functional Requirements
2 Identify Strategic Goals & Objectives
1 Obtain Leadership Commitment
PHASE I
WHAT WORK MUST THE ORGANIZATION DO ?

Workforce planning was enculturated early in the Department through workforce planning pilots in administrative and professional areas. Ensuring that the OAs mastered the initial stages of implementing workforce planning in these areas laid the foundation for future human capital planning in program and mission-focused areas. A number of small-scale pilots (e.g., organizational units or specific occupations) were conducted. In each case, the pilots produced valuable lessons learned. This exercise affirmed sound collaboration between line managers and the offices of strategic planning, budget, and human resource management. DOT's workforce planning pilots and the workforce analysis of human capital challenges on program performance constituted early human capital planning initiatives. Through this effort, DOT identified the following human capital solutions:

- Identifying and eliminating organizational layers and the alignment of current resources (MARAD)
- Developing and assessing occupational competencies (FTA/FRA)
- Matching future workforce trends with training and skill requirements (RSPA)
- Developing assessment tools for hiring and staffing based on data collected from internal surveys (RSPA)
- Hiring and staffing solutions linked to business strategies (RSPA)
- Establishing an OA with minimal organizational levels, designed to be customer-focused, lean and efficient to maximize mission objectives (FMCSA)

DOT has modified its workforce planning guidance to fully comply with the PMA and move the Department toward complete, comprehensive, and integrated human capital planning (Appendix D: DOT Workforce Planning Guidance).

In a workforce analysis conducted last year, DOT identified that between Fiscal Years 2001 and 2006, approximately 66 percent of the career executives, 50 percent of the GS-15s, and 24 percent of the GS-14's – over 6800 individuals in the leadership cadre of the Department – either have reached or will reach eligibility for optional retirement. *Key occupations include over 23,000 air traffic controllers, almost 7,000 transportation specialists, 5,200 engineers, 3,800 aviation safety inspectors, and 1,100 rail, motor carrier, and highway safety specialists.*

In critical occupations such as engineers, 90 percent of the executives and almost 60 percent of the GS-15s will be eligible for optional retirement by 2006. The average age of the aviation safety inspectors and railroad safety inspectors is 52; highway safety specialists, 47; engineers, 44; and motor carrier specialists, 42. Across the total workforce in the most critical occupations, 17 percent of the air traffic controllers, 42 percent of the aviation safety inspectors, and 35 percent of the rail safety inspectors will be eligible for optional retirement in the same time frame. Best estimates are that almost 12,000 total employees will retire in this time frame. Examples of anticipated optional retirements in some of our critical occupations, and their impact on the current workforce in those occupations, are shown below. These projections are based on the actual retirement rates of eligible employees in those occupations over the last several years.

Anticipated optional retirements in critical occupations through FY 2006, as a percentage of the total current permanent workforce, are:

- ***Air Traffic Controllers*** (operational) – 10 percent
- ***Transportation Specialists*** – 25 percent
- ***Engineers*** – 21 percent
- ***Safety Inspectors:*** Aviation – 25 percent; Motor Carrier – 6 percent; Rail – 20 percent
- ***Highway Safety Specialists*** – 22 percent

In addition, DOT anticipates that 45 percent of the current senior executives will retire by the end of FY2006.

Data Repository Information System (DARIS). The Data Repository Information System (DARIS) project will provide a user interface to historical and current data and enhanced attrition planner extracted from the DOT HR and payroll systems. Managers will have efficient and effective query tools, standard reports and the ability to perform online data analysis for the purpose of projecting and monitoring skill gaps. The provision of information to the desktop of the manager will enhance the ability of DOT to effectively support and manage human and financial resources. Line managers will have information more readily available, and support staffs will be in a position to provide more specialized services. The retention of historical data in DARIS allows DOT to leverage the workforce information collected over the last 25 years on a continuing basis. The data will be maintained in DARIS without encountering the significant cost and schedule implications of a massive historical data conversion effort to a transaction system. This system is expected to be complete during the first quarter of FY2003.

Automated Staffing. DOT anticipates workload increases on human resources (HR) staffs as a result of projected retirements, and an increased volume of applicants that will be generated through Recruitment One-Stop. DOT will identify a single modal *executive agent* to manage automated servicing to all OAs (except FAA) through the use of a single vendor product. OAs will utilize one automated staffing system to interface internally and externally with Recruitment One-Stop. This will allow them to process the receipt of applications, rate and rank applicants, notify candidates of their status, and issue certificates of eligibles, all via one common servicing vehicle. One Departmental automated system ensures overall efficiencies across modes and better use of limited resources.

Workers' Compensation Program Management. In order to improve Departmental performance and avoid costs, DOT will convene a ONE DOT working group to look at ways program administration and case management can be improved to achieve the following goals: monitoring of injury trends leads to improved employee safety; case management improvements lead to earlier returns of injured employees to appropriate duties, and fewer employees on the long-term roles; invalid claims identified and successfully disputed; and overall costs to the Government show a decline. The group will also consider the recommendation that efficiencies be gained through consolidation of the Departmentwide program in a single organization, and will develop alternative models and costing for such consolidation.

Benefits Administration. The Department will consolidate and enhance employee benefits resources that are currently scattered across the Department to achieve more comprehensive and accessible service and more efficient use of resources for benefits training and services. This will directly support the PMA in several ways:

- ⇨ It is a knowledge management initiative that seeks to link and enhance existing information resources to be more useful, and capture the knowledge of current employees in accessible databases, so it is not lost when they retire.
- ⇨ It is a result of DOT's workforce planning, in that it seeks to grow the capacity to deliver benefits services, including retirement counseling, in response to continuing predictable growth in demand for those services from an aging workforce; and
- ⇨ Improved benefits services and information will help accomplish the goal of increased employee satisfaction.

RESTRUCTURING INITIATIVES

DOT's human capital planning guidance is aligned with the PMA in that it emphasizes creating a citizen-centered, delayered organizational structure that is oriented toward performing the mission. The Human Capital Standards for Success call for: *Strategic Alignment*, a coherent framework that assures that the agency's policy and practices are designed to achieve vision in order to meet its mission; and, *Workforce Planning and Deployment,* a workforce that is linked to the agency's strategic and program planning efforts as well as assessing deployment that is across the organization assuring that it meets the needs of the agency. As OAs complete their human capital planning efforts, they will be measured against these Human Capital Standards for Success. Recent or planned human capital restructuring initiatives are discussed below:

Office of the Secretary. The Office of the Secretary reviewed its functions and is working to align three major areas based on Human Capital Standards for Success. These administrative consolidations include: 1) policy functions; 2) the Transportation Administrative Service Center (TASC); and 3) the alignment of three major administrative initiatives known as the Human Resources/Financial Management (HR/FM) Integrated System. They are described in detail below:

- **Policy Functions**. The Office of the Secretary's (OST) policy-making and related functions are split among three offices: the Office of Intermodalism, the Office of Aviation and International Affairs, and the Office of Transportation Policy. There is a need to provide a more integrated approach to overall policy direction, and implementation plans are *pending Congressional approval*. In order to provide the seamless, long-range, and strategic thinking that is necessary to broaden the policy apparatus of the Department, it is critical to place in OST, a single entity, the responsibility to carry out policy tasks on behalf of the Secretary set forth in 49 U.S.C. 301. To accomplish this, the existing Associate Deputy Secretary position will be elevated to the rank of "Under Secretary for Policy," reporting directly to the Secretary. The Under Secretary will be authorized to move resources across office lines, form teams and task forces, and deploy the skills of all three offices. This new *whole* will have greater breadth than the *sum of its parts* and result in a consolidated approach to policy analyses, reviews and future policy decisions facing the U.S. in transportation readiness.

- **Transportation Administrative Service Center (TASC).** DOT is reviewing and analyzing the operations of TASC to ensure that the administrative needs of the Department are met in the most efficient and cost effective manner. The Secretary has established a TASC Review Board to evaluate the operations of TASC and to make recommendations about how TASC can best serve the needs of the Department. This analysis will also address ways to improve oversight of TASC operations. The Board is expected to provide recommendations in the first quarter of FY 2003. *Congressional approval* will determine implementation, if approved.

- **Human Resources/Financial Management (HR/FM) Integrated System.** A major effort has been initiated to consolidate three separate projects into a single initiative that will result in a fully integrated Human Resources and Financial Management system. This initiative greatly enhances the ability of DOT to manage its human and financial resources across the Department and provides the Department with an e-gov solution. The three projects are the DOT Oracle Federal Financial applications suite (Delphi), Enterprise Human Resources Information System (EHRIS), and Federal Aviation Administration's (FAA) Corporate Human Resources Information System (CHRIS).

- ⇨ **Delphi** has already been implemented by 10 of 15 Offices and OAs within the Department. Delphi uses Oracle Federal Financial application modules consisting of general ledger (GL), accounts payable (AP), accounts receivable, fixed assets (FA), purchasing (PO), project accounting (PA), and property management (PM).

- ⇨ The goal of **EHRIS** is to consolidate the DOT's Consolidated Personnel Management Information System (CPMIS) and Integrated Personnel and Payroll System (IPPS) within a modern framework. The COTS package selected for EHRIS, Oracle Federal Human Resources, is one of the industry leaders in HR software, founded on the best practices represented in the commercial environment and modified in cooperation with other government agencies to meet federal requirements.

- ⇨ The **CHRIS** project has the goal of replacing CPMIS and IPPS for FAA in the same manner as EHRIS would replace them for the rest of DOT. The establishment of separate projects was brought about by the implementation of FAA Personnel reform in 1996, which relieved the FAA from most constraints of Title 5.

As the two HR projects continued to evolve, officials from both DOT and FAA projects have concluded that a consolidated DOT project would better support the Department's overall diverse requirements. Significant cost savings will be realized by integrating Oracle financials and human resources into a single instance. The Oracle products selected for the HR/FM integrated system represent best business practices, and will be used without customization. The COTS software will provide management with flexibility to better streamline the operational process of human resource and financial management data processing.

Capital Planning and Investment Control (CPIC) Process. DOT has adopted strict standards for strategic planning, selection, control, and evaluation of Information Technology (IT) assets. The Departmental Investment Review Board (IRB) was established to review selected mission-specific operational programs and cross-cutting administrative initiatives. In August 2002, the IRB conducted its first meeting under the guidance provided in the new DOT IT CPIC Manual. Appropriate consolidation of projects is one of the areas where OMB has indicated it will focus its attention for the FY 2004 budget submissions. The outcome and decision of the IRB to approve a Human Resources and Financial Management integrated system will serve as a substantial demonstration that the Department is determined to address the requirements of the Clinger-Cohen Act, conduct its IT asset management prudently, and be responsive to OMB's concerns. Decisive handling of the questions raised about consolidation of redundant and overlapping projects will make a material contribution to moving the Department to *green* in the Capital Planning and Investment Control area of E-Gov.

OTHER DEPARTMENTAL RESTRUCTURING

All OAs have been asked to review their functions in line with the Departmental HC planning effort. Those OAs that have been able to report results in working to become more citizen-centered and to delayer their structure include: the ***Maritime Administration*** (MARAD), and the ***National Highway Traffic Safety Administration*** (NHTSA). The ***Transportation Security Administration*** (TSA) has been mandated by Congress to build a total agency that ultimately espouses the principles of the PMA and the Human Capital Standards for Success; and below, TSA is described as to how they are building their headquarters and field structure accordingly. In addition, in January 2000, Congress established the ***Federal Motor Carrier Safety Administration*** (FMCSA) with the passage of the Motor Carrier Safety Improvement Act of 1999.

- **MARAD.** Beginning in October 2002, and *pending Congressional approval*, MARAD is proposing a restructuring initiative that addresses every objective for restructuring stated in OMB Bulletin 01-07. MARAD's proposal reduces headquarters divisions from 30 to 14, eliminates additional offices, and realigns certain functions. Management and organizational layers will be reduced, positions will be redeployed, and supervisory ratios will increase. These changes will be accomplished with no additional resources, and will avoid any major disruption to critical agency programs, appearing seamless to constituents.

  In cases where divisions or supervisory levels are eliminated, MARAD anticipates far greater flexibility will be available for the use of personnel resources and expertise to meet changing program needs and priorities. Through greater ease of movement, affected MARAD employees will have opportunities for significantly broadened work experiences and program perspectives. These flexibilities will greatly increase MARAD's responsiveness to changing customer and program needs.

  Specifically, MARAD's proposal will take the following actions:

  - ⇨ Request Departmental and Congressional approval to eliminate the position of Deputy Maritime Administrator for Inland Waterways and Great Lakes.
  - ⇨ Eliminate the Division of Litigation within the Office of the Chief Counsel and reassign the attorneys to divisions where they will be closer to program activities.
  - ⇨ Eliminate the Office of Maritime Labor, Training, and Safety and consolidate the functions to other organizations.
  - ⇨ Reassign the position of Coordinator for Research and Development from a direct report to the Administrator, to the staff of an Associate Administrator.
  - ⇨ Delayer and eliminate two subordinate supervisory positions within the Office of Human Resources.
  - ⇨ Eliminate the Division of Vessel Transfer and Disposal and the Division of Sealift Programs, which are both under the Office of Sealift Support. Vessel disposal will be transferred to the Office of Ship Operations.

- ⇨ Request Departmental and Congressional approval to eliminate the Office of the Executive Staff and reassign staff to the Office of the Chief Counsel.
- ⇨ Delayer and eliminate the divisions in the Office of Policy and Plans and the Office of Statistical and Economic Analysis and establish a team structure.
- ⇨ Delayer and eliminate the three divisions in the Office of Cargo Preference and establish a two-team structure.
- ⇨ Delayer by reducing the number of divisions within the Office of Shipbuilding and Marine Technology from three to two.
- ⇨ Abolish the Division of Management and Organization and re-deploy staff.
- ⇨ Abolish the Division of Domestic Shipping, eliminating the GS15 Division Chief Position. The FTE/grade will be retained, but not as a Division Chief.
- ⇨ Abolish the position of Deputy (GS15) for Ship Financing.

- **National Highway Traffic Safety Administration.** The Secretary of Transportation approved the National Highway Traffic Safety Administration (NHTSA) reorganization in June 2002. The primary structural change is eliminating the position of Executive Director, thus reducing the *bottleneck* effect between programs and the Administrator. The reorganization abolishes the Executive Director position, which was the reporting point for six of seven Associate Administrators, and establishes three Senior Associate Administrator (SAA) positions for the agency's three major points of program coordination – SAA for Vehicle Safety, SAA for Policy & Operations and SAA for Traffic Injury Control. Each SAA will report directly to the Deputy Administrator, and several horizontal reorganizations will unite related program activities. The SAAs are the reporting point for the five remaining Associate Administrators whose areas of responsibility have been consolidated under the appropriate SAA, to unite these complementary functions:

  - ⇨ Traffic Safety Programs functions and the State and Community Services under the SAA for Traffic Injury Control. The SAA is responsible for the entire continuum of program development, implementation and deployment.
  - ⇨ Vehicle applied research, rulemaking, and enforcement functions under the SAA for Vehicle Safety. The SAA is responsible for the entire continuum of vehicle programs.
  - ⇨ Advanced safety research, administration, and planning and budgeting functions under the SAA for Policy Operations. A CIO position has been created with agencywide IT responsibilities under the SAA for Policy and Operations.
  - ⇨ Communications, marketing, vehicle consumer information, media and consumer information functions under the Director, Office of Communications and Consumer Information. The Director reports to the SAA for Policy and Operations and is responsible for the entire continuum of agency communications, media relations, consumer relations and speechwriting.

  This reorganization was accomplished within the current Senior Executive Service (SES) ceiling. As next steps, NHTSA will be eliminating some branches and after realignment will review supervisory positions.

- **Transportation Security Administration (TSA).** Because the transportation system was used as a means for committing acts of terrorism on September 11, 2001, the events of that day have impacted DOT's mission and structure in unique ways. Most notably, the Department was charged to establish a new administration from scratch, the Transportation Security Administration (TSA). The immediate challenge to TSA is aviation security. It has been, and continues to be, essential for TSA to acquire the needed competencies as quickly as possible in order to meet Congressional mandates.

  In establishing TSA, DOT adopted personnel policies geared toward attracting and sustaining a high performing workforce. TSA's personnel policies embody the Human Capital Standards for Success in that they make maximum use of personnel flexibilities and result in an organizational structure that is delayered and oriented toward performing its mission. Special teams of DOT employees were formed to develop an administrative framework for the new agency that supports TSA's mission.

  Since its establishment, TSA has dealt with the parallel endeavors of standing up an organization in headquarters and the field while rolling out operational programs. To get the organization underway a task force of government employees has been assigned to DOT under emergency appointments not to exceed a year. They will not be retained as a permanent layer of staff.
  The Department is making maximum use of competitive sourcing in order to expedite standing up TSA. Specifically, TSA is contracting for human resources operations; and has made use of contractor service in the hiring of Federal Security Directors (FSDs) in airports across the country. TSA's workforce is a mix of permanent employees, detailees from other DOT organizations, and contractors, consistent with the Department's competitive sourcing initiative. To bring private sector best practices to the TSA, a senior advisor program has been formed. Under this program, executives from some of the Nation's leading firms have been loaned to the TSA to help with its establishment.

  TSA is being developed as a *flat* organization. The bottom of the organizational structure and related staffing remain under development; however, when all components are in place, there will be no more than five layers from the bottom (the screener) to the top (the Under Secretary). FSDs will have direct access to the Office of the Assistant Under Secretary for Aviation Operations, without having to pass through regional layers. FSDs will have full managerial and operational authority for security in the airports to which they are assigned.

  TSA's structure features a broadened span of control at the headquarters level, direct channels for effective interaction between headquarters and the field, and increased decision-making authority at the field level where FSDs will have direct contact with frontline employees and transportation customers. TSA will be continually challenged to provide comprehensive security, respond to incidents rapidly and effectively, and to do so with as little inconvenience as possible to the customer. As TSA's work progresses and expands beyond aviation to other modes of transportation, its structure and administrative framework will assist in meeting the Department's national security strategic goal.

- **FMCSA.** Congress established the Federal Motor Carrier Safety Administration (FMCSA) with the passage of the Motor Carrier Safety Improvement Act of 1999. In January 2000, FMCSA became DOT's newest OA. FMCSA designed its organization and its processes to be lean, quick, and efficient. Employment for FY2000 was capped by law to the level at the Headquarters location, except for staff transferred to the agency from the Federal Highway Administration. External hiring was precluded until FY2001. According to a report by the National Academy of Public Administration completed in August 2001, " FMCSA is positioned to have significant impact on motor carrier and highway safety, organized in a logical and well-reasoned structure, committed to improvement, and staffed with highly-motivated and skilled employees." Since the NAPA report was published, the regulated industry has continued to grow, and FMCSA's mission has expanded to include new initiatives, such as Southern Border Crossings. As FMCSA progresses from a *start up* mode and begins to stabilize, it will continue to review and evaluate procedures and structure to be citizen-centered, results-oriented, and market-based.

DOT'S KEY HUMAN CAPITAL CHALLENGES AND DEPARTMENTAL SOLUTIONS

The Department is made up of 12 operating administrations, each with specific mission requirements and critical occupations to accomplish these requirements. DOT directed the OAs to identify their key performance problem areas and in turn identify the specific human capital challenges that may create barriers to meeting DOT's overall mission. These performance problems are linked to DOT's overall mission, strategic goals, and annual program performance targets. They address the joint Human Capital Standards for Success; issues that have been raised by DOT's Inspector General; and, they are linked to the Department's strategic goals and the Secretary's priority areas of Safety, Security, Congestion, and Competition.

Approach. OAs were directed to analyze human capital issues pertaining to these challenges and develop plans for implementing solutions using DOT's existing workforce planning model augmented by the objectives of the PMA. This included:

1. Analysis of competencies required vs. competencies available,
2. Exploration of solutions other than adding FTE (competitive sourcing, learning and development, technology, and personnel flexibilities), and
3. Reviewing organization structure behind program activity for excessive layers and redundancies.

These analyses and plans were developed in line with the Human Capital Standards for Success guidance which served as a vehicle for invigorating the Department's ongoing workforce planning, evolving it into human capital planning. To encourage integration of PMA areas in developing human capital solutions, each OA convened key program managers, representatives from strategic and performance planning, and members of complementary PMA area teams.

Benefits of this Approach. From the modal perspective, this effort has provided a starting point for further planning and implementation of solutions. The immediate result was to achieve specific and important performance goals for respective customers. Long term, this result will refine and implement cross-organizational, issue-centered solutions, which serve as a model for institutionalizing aligned, integrated human capital planning throughout the Department.

Common themes. DOT's mission is impacted by new and evolving mission requirements, changing demographics, technological advances, and varying customer and stakeholder needs. DOT's agencywide analysis identified the following overarching themes:

- ⇨ Large numbers of retirements in critical occupations within the next 10 years.
- ⇨ Need to retain existing, highly skilled employees as well as new employees.
- ⇨ Additional, new, and advanced technical skills needed for remaining workforce.
- ⇨ Computer competencies necessary for e-gov and day-to-day work.
- ⇨ Competition for high-demand competencies, e.g., security and IT.
- ⇨ Rapid acquisition of additional competencies requirements (not just replacements) needed to carry out new and expanded mission activities.
- ⇨ Changing demographics of the new American public require new competencies for outreach and customer interaction.

See Appendix E, for "DOT Mapping: Departmental Human Capital Challenges and Solutions in Support of the PMA," which provides an *at-a-glance* illustration to aid the reader.

Departmental Actions to Be Taken Based on Challenges and Proposed Solutions.
In this section of the Human Capital Plan, the Department addresses common challenges among OAs and proposes solutions that support common themes and goals. For example, these DOT solutions address similar occupations and competencies such as the inspector workforce, aging workforce, technological competencies and general skill gaps. DOT's results-oriented human capital implementation process is data-driven, and includes metrics, key milestones, and accountabilities to ensure efficient and effective use of human capital strategies. In the Human Capital Implementation Plan, (see Section III) the Department provides milestones and timelines demonstrating DOT's plan to address the above.

For these Departmentwide issues, DOT's proposed actions are to:

- Apply common recruiting and retention strategies to ensure no gaps in critical competencies in cross cutting positions.
- Identify shareable solutions, such as where two or more OAs can work together to leverage a training, e-gov, or contracting opportunity.
- Develop strategies for addressing cultural and organizational barriers to the maximum use of HR flexibilities.
- Identify time and cost-effective solutions that can be applied across OAs.

(See Appendix F for a "Summary of Human Capital Challenges" related to key performance problems, followed by "Human Capital Plan, Phase I, Executive Summary" which is individual matrices for OA challenges.)

HUMAN CAPITAL STANDARD FOR SUCCESS

"Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement in performance."

LEADERSHIP AND KNOWLEDGE MANAGEMENT

LEADERSHIP. DOT has defined the kinds of leaders it needs to carry out its vision and accomplish its mission, goals and strategies. DOT recruits and develops its leaders in accordance with its Leadership Competency Framework which provides a shared Departmental approach for competencies needed for supervisors, managers, and executives (Appendix G). The following initiatives complement the leadership competencies and ensure that DOT's leaders motivate the workforce, serve as mentors/coaches, and espouse DOT's core values.

Supervisory Leadership Program. DOT has designed a corporate standard of excellence for leadership recruitment, selection, evaluation, recognition and retention. DOT appointed a cross-modal task force to develop a ONE DOT approach aligned with OPM's study (January 2001) "Report of a Special Study – Supervisors in the Federal Government: A Wake-Up Call." This will result in recruitment linked to the Department's Leadership Competency Framework applying one standard when selecting future leaders. To ensure that DOT develops leaders effectively and then holds them accountable, policies and procedures that address supervisory development and performance will be aligned with the Framework.

Transportation Executive Leadership Institute (TELI). The Department's Transportation Executive Leadership Institute (TELI) offers senior executives learning opportunities to develop leadership competencies consistent with organizational business needs and OPM's Executive Core Qualifications. A group of high-ranking executives including career senior executives and Flag officers serve as the Advisory Board appointed by the Secretary of Transportation. This Board approves funding and provides guidance and direction for TELI. TELI's curriculum provides DOT's leadership with a common experience base for addressing future direction of the Department, requiring each executive to attain Continuing Leadership Units (CLUs) on an annual basis in FY2003. In FY2002 this program was optional training, in FY2003, it will carry a mandatory requirement. Nearly 50 percent of the senior leaders and flag officers have participated in our leadership development activities during FY2002.

Executive Recruitment Trend Analysis. DOT is conducting an executive trend analysis to update its retirement eligibility statistics based on the workforce analysis completed in the Summer of 2001. This effort will ensure a consistent and cohesive Departmental approach to leadership succession planning.

Executive Performance Management. The Department has a strong commitment to linking executive performance management and accountability to the DOT Strategic Plan. Since 1998, every Administrator and Assistant Secretary was required to sign an annual performance agreement with the Secretary. Beginning FY2000, performance objectives were cascaded down to the appropriate senior executive(s) who report to that individual, and who are accountable for achieving that objective. That principle of *cascading accountability* has now been extended to the rest of the SES workforce. In July 2002, DOT modified its SES performance management policy to include the following written requirements:

- ⇨ Excellence in executive performance;
- ⇨ Accountability for attaining the organizational goals of the Department as well as their individual performance;
- ⇨ Accountability for achievement of the agency's performance goals cascading from the highest levels of management;
- ⇨ Achievement of the objectives and agenda of the current Administration as a high priority; and
- ⇨ Individual performance evaluated against balancing organizational results with customer, employee, and other perspectives.

In addition, to ensure that only the top performers receive monetary recognition, each OA may give SES performance bonuses to no more than one-half of all career executives eligible for a bonus. Furthermore, every SES bonus must be approved by the DOT Executive Resources Review Committee, which is chaired by the Deputy Secretary. (See Appendix H: SES Performance Management System.)

Executive Coaching. DOT is creating a Departmentwide executive coaching program as part of DOT's succession planning efforts. This program will build on DOT's leadership competencies to develop future leaders and provide support for executives as they transition into new assignments, adapt to reorganizations and/or are refocused to existing lines of business. A review of high performing organizations demonstrates that they use executive coaching services to groom leaders of the future as part of their succession planning.

ONE DOT Senior Executive Service Candidate Development Program (SES-CDP). During the first quarter of FY2003, the Department will conduct a feasibility study in order to determine the value of conducting a ONE DOT SES-CDP. This study will include consideration of candidates from past CDP efforts, as well as succession planning and will take into account best practices of other Governmentwide programs. To date, 33 DOT SESCDP graduates have not been placed in SES positions.

Promoting Ethical Behavior and Feedback. DOT is committed to ensuring an organizational culture that promotes ethical conduct and requires the elimination of disruptive and disrespectful behavior. Employees have a shared responsibility to treat each other with dignity and respect and take responsibility for their actions. To create and maintain this type of supportive environment, it is essential that supervisors model respectful behavior and adhere to high ethical standards for honesty and integrity. Supervisors must make a visible stand against behaviors that undermine this goal. Likewise, employees must have appropriate channels to express their feelings and concerns so that these issues can be addressed.

The Department currently conducts annual ethics training for most supervisors and managers that address ethical standards to which they must adhere. Additionally, most administrations publish periodic ethics guidance and reminders to employees about the high ethical standards expected. Also, a Departmentwide review of the ethics program is conducted each January. This review examines the effectiveness of training, counseling, financial disclosure and enforcement matters for the preceding year.

DOT has recently initiated other outreach efforts to increase awareness and educate our employees regarding the importance of respectful workplace conduct. These efforts include: a supervisory training module to enhance communication and conflict resolution skills; strengthened leadership accountability in the performance appraisal process for managers and supervisors (see section on Performance Management); an implementation plan to increase awareness of whistleblower rights and protections, designed to fulfill the requirements of the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002; and a virtual help desk that will give employees answers to questions about their rights. To supplement and support these efforts, DOT is developing a proposal for a standardized icon to be located on all OA intranet sites. This icon will link to information regarding Standards of Ethical Conduct for Employees of the Executive Branch; Office of Special Counsel for information about prohibited personnel practices and whistleblower protections; the DOT Inspector General; Equal Employment Opportunity programs; and, resources to resolve employee grievances.

IG Hotline. DOT's Office of Inspector General maintains a *hotline* to facilitate the reporting of allegations of fraud, waste, abuse or mismanagement in DOT programs or operations. Allegations may be reported by DOT employees, contractors or the general public. Examples of issues that should be reported are conflicts of interest and ethics violations, theft and/or abuse of government property, travel fraud, etc. Callers may remain anonymous and confidentiality is protected to the maximum extent possible by law. Upon receipt of a specific allegation of fraud, waste, abuse or mismanagement, the

Office of the Inspector General either opens an investigation or audit, refers the matter to DOT management for appropriate review and action, or refers the allegation to another Federal agency.

Mentoring Program. Sustaining future leadership capabilities plays a critical part in DOT's succession planning. One tool for doing this is to implement formal mentoring programs. The DOT Mentoring Program allows any DOT employee to participate, with the option to choose a mentor from any OA in DOT and from any location, Headquarters or field. This enables employees to gain the perspective of leaders from OAs other than their own while fostering the ONE DOT concept. This Departmental program enhances the individual OA mentoring programs. This year, a Departmental mentoring program will be developed that is aimed specifically at preparing mid-level (GS-13/14) managers to advance into executive positions. It will focus on workforce development that adds value to the organization by enhancing professional skills at all organizational levels, increases job satisfaction, transfers institutional knowledge and corporate expertise, while propelling the goals of DOT.

KNOWLEDGE MANAGEMENT. DOT learning and development is aligned with the Departmental strategic planning efforts. DOT's performance plans address the importance of supporting continuous learning for all employees through distance learning and traditional institutions. The objectives of all learning activities are to develop and enhance the competencies of the workforce in order to accomplish the Department's strategic and performance goals.

Learning and Development Framework. In 1998, DOT established a Learning and Development Framework that ensures OAs consistently and strategically implement training and development programs via principles and guidelines aligned with the President's Management Agenda. This Framework forms the basis for consistent evaluation of DOT learning activities and how they impact strategic competencies and leadership development. This Framework requires managers and supervisors to link training to competency requirements, and to determine if training helped achieve their organizational goals. Given that resources (both dollars and time) dedicated to training and development are constrained, the Framework ensures that OAs commit minimum of three percent of payroll as an investment in learning.

Online Learning. DOT has led the way in offering its employees online learning opportunities through the Transportation Virtual University (TVU). Hundreds of employees have taken thousands of courses via this web-based learning tool. Impressed with TVU's online infrastructure and capability, OPM has adopted it as a model for the recently unveiled Federal GoLearn website.

Established Learning Centers. The Department has a number of technical and educational institutions and academies that support DOT's vital mission. They ensure safety and security in the Nation's transportation system through instruction to both those entrusted with enforcement and those obligated to safety compliance. One challenge DOT will explore in FY2003 is to integrate the offerings of the centers in order to promote efficiencies by providing more cross-modal opportunities. Three of these training entities also feature management and leadership development components:

- ***U.S. Coast Guard Academy.*** The U.S. Coast Guard Academy is home to the Coast Guard Leadership Development Center (LDC). The LDC staff reaches out to all Enlisted, Officer, Cadet, Reserve, Civilian and Auxiliary members of the Coast Guard through resident and non-resident classroom training, unit level programs and web-based curricula. These delivery strategies combine to improve leadership skills enhancing mission performance and increased retention.

- ***Center for Management Development (CMD).*** The Federal Aviation Administration's Center for Management Development (CMD) has been in existence since 1971 and provides non-technical training for DOT supervisors and managers in addition to those from FAA. Each year, CMD trains over 6,000 employees--about 60 percent of who are trained in-residence. The Center's curriculum is broad and is designed to strengthen both interpersonal and technical management skills. All of the courses focus on actual job functions to help build the specific skills that are needed to improve job performance.

- ***The Global Maritime and Transportation School (GMATS).*** The U. S. Merchant Marine Academy, operated by the Maritime Administration (MARAD), is the home of the Global Maritime and Transportation School which serves as the education and training arm of MARAD and is the Department's primary resource for maritime and intermodal transportation related education and training. The School's mission is to develop and offer intensive specialized training programs for transportation professionals from private sector, government, and military organizations. (GMATS is an official U. S. Navy, U. S. Army School and NOAA Officer Corps.) The School operates as a *non-appropriated fund instrumentality* and is entirely self-funded through tuition, fees, contracts, and grants. In addition to its many maritime and transportation training programs, GMATS also offers unique leadership and management programs that are customized to meet the specific needs of the client organizations. More than 3,500 students annually attend GMATS.

Garrett A. Morgan Technology and Transportation Futures Program. The Garrett A. Morgan Technology and Transportation Futures Program is a Departmental program geared toward addressing the Nation's need for technologically literate transportation workers. This ONE DOT program has three goals:

1. To build a bridge between America's youth and the transportation community;
2. To support the development of improved educational technology that provides better ways for people to acquire new skills; and
3. To ensure that America's transportation workforce for the 21st century is technologically literate and internationally competitive.

The premise of the program is to educate youth about careers in transportation. The program has reached more than 3 million, primary, secondary and college students nationwide through Adopt-a-School efforts, job-shadowing, and working with industry partners to increase interest in transportation careers.

ONE DOT Rotational Assignment Program. The ONE DOT Rotational Assignment Program (RAP) is a learning experience geared to broaden employee experiences in transportation systems and offer both managers and employees an opportunity to meet intermodal short term, organizational and individual developmental needs. The goals of the ONE DOT RAP are to address ONE DOT corporate needs by offering employees developmental experiences that match future workforce needs and to enhance employee career development.

Policy Analyst Rotational Program. Under the sponsorship of the Associate Deputy Secretary, the Office of the Secretary is proposing a rotational assignment program that would involve the Offices of the Assistant Secretary for Transportation Policy, the Assistant Secretary for Aviation and International Affairs, and their counterpart organizations in the OAs. Under this proposal, policy analysts in these organizations would be eligible for short-term rotational assignments to other OAs and the Office of the Secretary. This rotational assignment program will provide both the employees and the organizations a breadth of experience and organizational perspective that will enhance overall organizational effectiveness

Knowledge Sharing Initiative. An outcome of using the FHWA Quality Journey (under Performance Culture) is the Knowledge Sharing Initiative (KSI). The initiative shares corporate knowledge within FHWA communities and technical expertise with the customers and citizens of the transportation community. The KSI evolved to include various networks that connect people seeking specific highway and administrative expertise. In 2001, the KSI received prestigious non-Federal awards from practitioners of Government solutions. On an informal basis, other DOT Administrations are exploring the use of similar KSIs. Departmental leaders will continue to explore opportunities to replicate this approach throughout DOT.

Legacy Program. In order to promote a knowledge-sharing culture and a continuous learning environment, DOT is establishing a program that will capture the legacy of top-performing senior managers to ensure a seamless continuity of operations in mission-critical areas. This program will build on current knowledge management systems created in the Federal Highway Administration (mentioned above), U.S. Coast Guard, and Federal Aviation Administration to ensure cross-modal involvement.

HUMAN CAPITAL STANDARD FOR SUCCESS

"Agency has a diverse, results-oriented, high performing workforce, and has a performance management system that effectively differentiates between high and low performance and links individual/ team/unit performance to organizational goals and desired results."

PERFORMANCE CULTURE

Each of DOT's direct reports, the Heads of OAs and Departmental Officers, has an accountability contract (performance agreement) with the Secretary. The accountability contract includes commitments to achieving performance goals that are critical to each OA or offices' role in fulfilling the DOT strategic mission and goals. Accountability contracts also address the Department's major management initiatives. These commitments are cascaded down to the Department's senior executives, as stated above under Executive Performance Management.

DOT's human capital policies and programs are designed to ensure inclusiveness; tie individual performance and recognition to organizational performance; balance work and family; measure progress; and provide mechanisms for resolving workplace disputes equitably. These programs are linked with and complement each other to ensure a performance culture that provides accountability and fairness for all employees. They serve as solutions to the Department's human capital challenges, and address the Human Capital Standards for Success, especially the criteria for differentiating between high and low performers, sustaining a high performing workforce, and use of personnel flexibilities. As DOT receives the results of the Government-wide Survey (GWS), it will analyze and follow up on the employee feedback on the use of personnel flexibilities, facilities, services and worklife programs that can make DOT a more attractive place to work.

Performance Management. The Department is committed to fostering a performance culture that motivates and rewards its workforce for high performance and ensures that employees are focused on achieving results aligned with the strategic goals. DOT appointed an intermodal Performance Management Task Force with representatives from each OA to review Departmental and OA policies and practices, as well as benchmarking successful organizations. The Task Force will develop new policies and tools for the Department to:

1. Align employee performance expectations with Departmental strategic objectives and/or OA organizational goals and objectives;
2. Strengthen communication to employees about organizational goals and priorities;
3. Establish supervisory and managerial accountability for individual and organizational performance;
4. Link awards and recognition to organizational objectives and priorities, and adequately fund awards/recognition programs to motivate and retain employees;

5. Address poor performance, and take timely actions for removal; and
6. Make effective use of the employee and supervisory probationary periods.

Six subgroups have been formed and most will have recommendations by the first quarter FY2003.

Awards. The PMA calls on Federal employers to use strong recognition and award programs to support organizational performance and promote employee retention. This topic is being addressed very explicitly by a working group of the Performance Management Taskforce (discussed under Performance Management above). The Department will continue to explore opportunities to recognize and reward outstanding employees at the Secretary's Annual Awards Ceremony; with meaningful non-monetary awards like the Secretary's *Thanks a Million Award* which is personally presented by the Secretary bi-monthly; and with time-off awards. The awards and recognition working group will also consider ways to promote and reward outstanding team performance.

Labor/Management Relations. The Department is committed to establishing collaborative relations with unions both locally and nationally that contribute to meeting the mission of the Department. DOT will review Departmental and OA labor relations policies and practices to ensure that they promote union/management cooperation and have established means for addressing workplace disputes and problems. At the Departmental level, the DOT will continue its tradition of consulting unions on Departmental matters affecting conditions of employment. In February 2002, the Department established an advisory *Transportation Labor-Management Board*, which will provide a forum for pre-decisional discussions between management and the unions on significant cross-cutting Departmental issues, such as the implementation of competitive sourcing and human capital strategies. Currently, the Department is involving the American Federation of Government Employees (AFGE) in the planning of its new DOT Headquarters building, since it represents employees in five OAs affected by the move. In August, the Department signed a Memorandum of Understanding with AFGE concerning its involvement in the design, construction, and move-in phases of the new DOT Headquarters building.

Alternative Dispute Resolution (ADR). Strengthening the communication and conflict resolution skills of managers is essential to meeting the leadership and performance culture objectives of the Department. In July 2002, DOT initiated design of a training module for managers and supervisors to improve communication and dispute resolution skills and thereby improve individual and organizational performance.

DOT has an active ADR program to assist in resolution of administrative complaints once employees engage in the Equal Employment Opportunity or grievance process, including an internal shared neutrals program. The Department's Dispute Resolution Council (DDRC) is comprised of representatives from all DOT components, and takes a corporate approach to promote ADR utilization and share effective practices. For example, in 2001, the DDRC conducted a study of ADR initiatives within the Department to establish a baseline for measuring improvement. DOT has a Secretarial statement of policy on ADR which commits the Department to consider ADR in the resolution of workplace issues.

DOT is establishing an integrated dispute prevention and resolution model to enhance the quality and availability of ADR services Departmentwide. One component of this model currently being studied is a Virtual Help Desk that encourages employee self-help in dispute resolution. The proposed model also features a combination of organizational ombuds and specially trained cross-functional intervention teams to identify and correct systemic barriers to achieving performance excellence.

Disability Resource Center. DOT established a central, comprehensive Departmentwide resource for reasonable accommodation needs for individuals with disabilities, the Disability Resource Center (DRC). The Center, funded by all OAs, ensures that employees with disabilities can participate fully in all aspects of the Department's work, programs, and services. Any DOT applicant, employee or manager may contact the DRC to receive a variety of services including, but not limited to: information, consultation, and referral; needs assessment; reasonable accommodations, including interpretive services and adaptive technology; technology demonstrations; and disability awareness, training, and educational programs.

Diversity Management. In June of FY2002, the Secretary commissioned a Diversity Work Group to study existing diversity policy and strengthen ongoing efforts, and to align Departmental standards of accountability and measurement with the President's Management Agenda. Although there have been marked improvements in diversity demographics and employee satisfaction in some OAs, the Secretary's aim for this Work Group is to ensure Departmentwide standards of excellence are implemented in the first quarter FY2003.

HUMAN CAPITAL STANDARD FOR SUCCESS

"Agency has closed most mission-critical skills, knowledge, and competency gaps/deficiencies, and has made meaningful progress toward closing all."

TALENT

DOT has analyzed core Departmental competencies needed to address existing and changing program requirements. In the near term (through FY2006), DOT projects that even as programs change it will continue to need most of the same technical and programmatic skills. DOT foresees a need for an increased emphasis on capabilities such as: business acumen, with particular emphasis on financial and contract management; industry expertise; systems thinking; risk analysis; and managing innovation and change.

There will be an increased emphasis on technology-proficient employees in all fields and occupations, particularly as technology changes the way transportation is managed and deployed. This need for a technology-proficient workforce is in addition to the universally recognized need for professional expertise in the IT area. While the ability to use and apply technology to work processes will be required by the entire DOT permanent workforce, it is recognized that IT expertise may be found either in the workforce or through contract support.

While technical expertise continues to be highly valued, there is an increasing need for employees to be multi-functional, and to be able to work in a broader environment. For example, there will be more emphasis on consultation and oversight, with a resulting emphasis on “soft skills” such as communication, collaboration, and leadership. There will be increased emphasis on the development and maintenance of intermodal, interagency, and intergovernmental relations. There will be increased emphasis on closer relationships with business and the private sector.

In line with the Secretary’s diversity effort noted above, DOT will work to strengthen its existing diversity policy, and recruitment and retention efforts in order to assure a fully representative workforce. DOT recognizes the need to increase the representation of Hispanics and people with disabilities in its workforce. DOT's level of underrepresentation in these two categories is below the Governmentwide average. As the current DOT workforce ages and the applicant pool in the civilian labor market shrinks, DOT will need to aggressively seek candidates from all sources. There will be increased emphasis on outreach and recruitment of Hispanics and people with disabilities as a significant source of talent to meet critical mission needs.

Executive Recruitment. DOT is expanding its current standards for recruitment outreach, which require the OAs to advertise all SES positions to all sources for a period of 30 days. That standard already exceeds the OPM minimum requirements of 14 days and Governmentwide only recruiting. Current executives, including Heads of Operating Administrations are held to higher levels of accountability for their outreach efforts, both personally and organizationally. Special emphasis is placed on their efforts to achieve greater diversity in the SES workforce.

Honors Attorneys. DOT’s Office of General Counsel sponsors and administers an Honors Program for new or recent law graduates. Ten well-qualified candidates are selected for a two-year program that begins in the September following selection. During the two-year program, each Honors Attorney spends at least four months in the General Counsel’s office and completes several four-month rotations in the OA Chief Counsels’ offices. Honors Attorneys traditionally receive challenging and responsible assignments and develop an understanding of the particular legal problems that face each administration. They also have the opportunity to gain a comprehensive overview of the Department’s activities and to learn how policy decisions are implemented. Because of Honors Attorneys’ special qualifications and the experience gained during the Honors Program, the Department’s legal offices give Honors Attorneys special consideration for permanent employment as attorney positions become available.

Corporate Recruitment. DOT recognizes the need to develop a corporate recruiting strategy to obtain the competencies needed for its mission-critical occupations. Particular emphasis will be placed on common occupational categories across OAs. A corporate recruitment strategy will provide:

- ⇨ A uniform branding and marketing approach for the entire Department;

- ⇨ A pilot intern program for centrally recruiting and training entry-level employees for one or more mission-critical occupations; and
- ⇨ Identification and establishment of formal contacts with colleges and universities, professional organizations, and other special interest groups that would serve as a resource for locating applicants.

This initiative will provide a strategic, integrated approach to recruitment that coordinates and supplements individual OA recruitment initiatives, as well as to reduce redundancies in their efforts. Departmental and modal recruitment efforts are most successful in the OAs that utilize senior leaders and managers in strategic recruitment initiatives, e.g., FHWA, OIG, and FMCSA.

Entry-level Hiring Initiatives. DOT will revitalize its entry-level hiring program to fill vacancies at the mid and senior levels, as part of the Department's succession planning effort. Emphasis will be placed on student employment programs and college recruitment. As described above, DOT will pilot an intern program for centrally recruiting and training entry-level employees for one or more mission-critical occupations, and reestablish and revitalize the recruiting program on college and university campuses. DOT will also expand its participation in existing entry-level programs such as the Presidential Management Intern Program and the Eisenhower Fellows Program.

Clinger/Cohen Training Activities. Training requirements set forth by the Clinger/Cohen Act are being monitored and achieved. For example, 48 percent of DOT's acquisition workforce has met the educational requirements, and 52 percent have met training requirements. The Information Technology leadership has engaged in a competency assessment, and committed to follow through with human capital planning solutions. Key milestones include: Implementation strategy by December 2002, implementation by May 2003, and an assessment by June 2003.

Vacancy Announcements. DOT will establish uniform standards for Departmental vacancy announcements to ensure the best mechanism to attract qualified candidates. This format and content review will ultimately provide customer-friendly, clearly written, easy to understand vacancy notices to the public that will ensure a consistent message, reflecting DOT's corporate marketing strategy.

Worklife. DOT has implemented an array of worklife programs designed to assist employees in achieving a healthy balance between their professional and personal lives. Surveys have shown that employees who maintain this balance are more effective, efficient and committed to their organization. OPM's worklife working group will establish evaluation tools to assess the impact of these programs on recruitment and retention. Once these tools are established, DOT will consider program adjustments related to evaluation results.

- ***DOT-wide Onsite Child Care Centers.*** The Department offers onsite childcare at over 30 locations across the country in response to studies on retention that indicate onsite childcare is a highly valued benefit to employees.

- ***Childcare Tuition Subsidies (Spring 2002).*** DOT issued a policy authorizing the OAs to develop and implement childcare tuition subsidy programs that would benefit lower income employees. Based on the experience and results of other Federal Agencies, the Department anticipates that this program will assist in the recruitment of lower graded employees in critical need positions, especially in urban areas, who would normally not accept lower paid positions because of the high cost of living, including childcare.

- ***Active Telecommuting Program.*** Since implementation of a telecommuting program in 1994, DOT has been a leader of this initiative in the Federal community. Telecommuting is consistent with the Department's mission because it relates directly to our performance goals of reducing highway congestion and mobile source emissions. To ensure maximum flexibility and usage of the program, DOT has developed a Departmental Telecommuting Order to be issued in 2002 that requires supervisors to offer telecommuting to all employees who meet specific position and individual eligibility criteria. In conjunction with this effort, DOT is also establishing an intermodal Information Technology (IT) Workgroup tasked with enhancing DOT's telecommuting infrastructure by determining minimum technology requirements, developing budget proposals, ensuring appropriate security safeguards, and maximizing the use of existing and emerging technology to expand system capacity. DOT reports annually on employee use of telecommuting.

- ***Leave Program.*** Surveys have consistently shown that leave is one of the most highly valued benefits among Federal employees, and the Government currently offers a myriad of leave flexibilities that employees may use to manage their personal, professional and civic lives.

- ***Alternate Work Schedules (AWS).*** DOT offers comprehensive work scheduling flexibilities. The Department's AWS program is composed of a variety of flexible schedules including, but not limited to, compressed work schedules, maxiflex, and gliding schedules. These work scheduling flexibilities, that are consistent with operational needs, provide employees opportunities to participate in community, civic and family activities without the use of earned leave while providing extended periods of office coverage to serve customers across the country.

DOT Connection. The Department also established DOT Connection, a resource that provides consolidated service to all DOT employees, managers, and the public. Its services include three main areas: employment information, career services, and worklife programs. In the area of employment information, DOT Connection provides information to the public about current employment opportunities throughout DOT; provides central coordination of certain special employment programs, such as student summer employment and the OPM IT virtual job fair; and coordinates DOT participation in other recruitment events such as traditional job fairs. In the area of career counseling, DOT Connection provides both individual and group counseling on career development, supervisory and management development, and team development. In the worklife area, information is provided on such issues as family-friendly work options, childcare, eldercare, and parenting. As the central recipient of general employment inquiries to the Department, the workload of DOT Connection expanded greatly with the creation of the Transportation Security Administration. DOT Connection responded to approximately a quarter of a million telephone and written inquiries about TSA.

HUMAN CAPITAL STANDARD FOR SUCCESS

"Agency human capital decisions are guided by a data-driven, results-oriented planning and accountability system."

ACCOUNTABILITY

This final section of the DOT Human Capital Plan explains how the Department will ensure agencywide responsibility for this initiative, specifically in accordance with Merit System Principles, veterans' preference, and related public policies.

DOT has delegated significant HR authority to its individual administrations in the management of human resources. However, the Department has several mechanisms in place for ensuring self-assessment and accountability.

- **DOT's Human Capital Plan** outlines the Department's human capital vision, goals, and outcomes expected through full implementation of the PMA. The Plan's initiatives meet the comprehensive framework developed by OMB, OPM and GAO, the *Human Capital Standards for Success*. This Plan, complete with *Section III., DOT's Human Capital Implementation Plan*, will be used to track progress throughout the Department toward full achievement of the PMA human capital goals.

- **The Secretary's Human Capital Scorecard** is directly linked to the PMA's human capital standards for success. Included in the scorecard are criteria related to accountability.

- **DOT's HR Strategic Action Plan, developed with participation from all administrations,** contains goals, strategies, and tactics that address the human capital dimensions outlined by the PMA. This plan also stresses measurement of progress towards our corporate goals.

- **The HR Balanced Scorecard** evaluates the delivery of HR services and information in DOT OAs. The Scorecard is managed by the HR Measurement Action Team (HRMAT), which is led by the Departmental Office of Human Resource Management and comprised of representatives from each of the OAs. The HRMAT meets on a regular basis to evaluate the tool and make improvements accordingly.

- Heads of OA and OST Offices sign **Annual Accountability Contracts** with the Secretary that holds them accountable for attaining organizational goals as well as meeting their individual performance objectives.

DOT will review its current accountability policies in light of both internal and external best practices. The resulting Departmental accountability system will add a strengthened system for ensuring compliance with Merit System Principles to the components that are already in place, e.g., balanced scorecard, employee surveys, and HR Strategic Action Plan. DOT is also making its personnel policies more accessible to officials and employees throughout the Department by improving their relevance and ease of use through automation.

SECTION III.

DOT'S HUMAN CAPITAL IMPLEMENTATION PLAN

Human Capital Implementation Plan. As reflected in this plan, DOT has already taken many steps to address the Department's human capital challenges through its ongoing programs and policies and its new initiatives. These improvement strategies will guide DOT toward strategically managing its human capital and meeting the PMA.

The Human Capital Implementation Plan is an integral part of the Department's overall Human Capital Plan. This section on implementation provides milestones, along with dates necessary to implement the human capital initiatives and improve DOT's performance. Implementation of these initiatives and ensuring that DOT's Human Capital Plan becomes a *way of doing business* at DOT requires the commitment and involvement of not only top management, but, the entire organization. DOT will communicate to the workforce the objectives of its Human Capital Plan and the specific improvement initiatives.

As DOT receives feedback from OPM's Governmentwide Survey (GWS), it will communicate results to the workforce and develop solutions for improvement, which may result in additional initiatives. DOT will work through established Councils, i.e., the Human Capital Planning Council, Human Resources Council, Administrative Management Council, and the Secretary's Executive Management Team, to implement the plan, track progress, and communicate its message and actions required. DOT has adapted existing software that will allow for automated tracking of milestones and dates. It will provide key managers, points of contact and other responsible parties easy access for keeping up-to-date on current status of human capital progress.

As DOT revises its strategic plan beginning in September 2002, Departmentwide Human Capital strategies will be developed in conjunction with each program goal.

Following are individual implementation matrices for initiatives that are either at the beginning stages, or are being enhanced to comply with the PMA: